



STATE BOARD OF EQUALIZATION

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Chairwoman

CLAUDE PARRISH
Third District, Long Beach
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Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

TIMOTHY W. BOYER
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Sacramento**

NOTICE AND AGENDA

WEDNESDAY, JUNE 25, 2003

BOARD COMMITTEE MEETINGS* (convenes at 9:30 a.m.)

❖ **LEGISLATIVE COMMITTEE—Room 122**

Ms. Carole Migden, Chairwoman
Ms. Margaret Shedd, Staff (916) 322-2376

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the 2003-2004 Legislative Session.

➤ **2003 Legislative Proposal – Property Taxes**

- ☐ Amend various sections of the Revenue and Taxation Code to streamline the administration of the welfare exemption.

❖ **BUSINESS TAXES COMMITTEE—Room 121**

Mr. John Chiang, Chairman
Mr. Ramon Hirsig, Staff (916) 445-1441

- Proposal to address, on certain Franchise Tax Board returns, the subject of use tax obligations related to purchases from out-of-state retailers

❖ **PROPERTY TAX COMMITTEE—Room 121**

Mr. Claude Parrish, Chairman
Mr. David Gau, Staff (916) 445-1516

- Status Report on Disclosure of Appraisal Data by County Assessors

BOARD MEETING (convenes upon adjournment of the Property Tax Committee) in Room 121**

❖ **CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS**

- ☐ Warren W. Quann, 162821
- ☐ Conopco, Inc., 129732
- Indopco, Inc., 129739
- Sequoia-Turner Corp., 129741

❖ **SALES AND USE TAX APPEALS HEARINGS**

- ☐ Conner Family Trust (DTD 2-23-91), 107037
- ☐ LSI Logic Corporation, 142330
- Cypress Semiconductor Corp., 173287
- ☐ Ardeshir Eil Larijani, 76272
- ☐ Career Aviation Company Inc., 99048
- ☐ Sam D'Ambrosio, 145476

❖ PUBLIC HEARINGS**➤ Proposed Amendment to Sales and Use Tax Regulation 1630, Packers, Loaders and Shippers**

Regulation 1630, Packers, Loaders and Shippers, is proposed to be amended to interpret, implement and make specific Revenue and Taxation Code section 6007. Amendments are proposed to provide that when a shipper of perishable food products purchases a disposable temperature recorder for the sole purpose of shipping the device along with the products the shipper ships, a shipper does not make a taxable use of a disposable temperature recording device merely by starting the recording device in this state, and to conform the subdivision to current industry terminology.

➤ Timber Harvest Values

On or before June 30, 2003, the Board will estimate the immediate harvest value and adopt schedules for each species or subclassification of timber harvested between July 1 and December 31, 2003 (Revenue and Taxation Code section 38204(a))

❖ TAX PROGRAM NONAPPEARANCE MATTERS - ADJUDICATORY**A. Legal Appeals Matters**

- Cases Heard But Not Decided
 1. Ana Maria Jimenez, 93965

B. Franchise and Income Tax Matters

- Decisions
 1. American General Realty Investment Corporation Inc., 156726
 2. Mercury General Corporation, 145450
 3. Joseph and Hedva Zer-Ilan, 99342

C. Sales and Use tax Matters

- Redeterminations
 1. Arco Material Supply Company, 168323

❖ TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT**D. Legal Appeals Matters**

- Petitions for Rehearing
 1. William G. Morschauser, 63388
 2. Neil Berry Ponsky, 89002071890
- Hearing Notice Sent – No Response
 3. Silverstream Software Inc., 149753
 4. Supply Source, Inc., 181577
- Hearing Notice Sent—Appearance Waived
 5. Robert Ernes Smathers, 86347, 89002033020
- Hearing Request Withdrawn
 6. Arrow International Inc., 138595

E. Franchise and Income Tax Matters

- Decisions
 1. Timothy B. Balcom, 164371
 2. Robert Castillo, 184837
 3. Ann Shalvarjian Codd, 186448
 4. Wilson M. Iverson, 206108
 5. Ladislaus L. Braun Trust, 181673
 6. Carl E. Nuesch and Kathleen K. Gulf, 188462
 7. Mary Schell O'Hara, 183385
 8. Julio C. Reyes, 192554

9. Iradj Shahriary, 195039
10. Jody Alonzo Slaughter, 192625
11. Betty Sunseri, 183942

F. Homeowner and Renter Property Tax Assistance Matters

- Decisions
 1. Eugenia Boroch, 184331
 2. Richard Brown, 157374
 3. Philip Espinoza, 197576
 4. Marcus J. Frost, 198936
 5. Donnavea R. Galloway, 194177
 6. Elda B. Garner, 187088
 7. Nga Hoang, 196133
 8. Jim Hurst, 199035
 9. Theopolis Jackson, 197509
 10. Walter Jeans, 197350
 11. Christine L. Johnson, 185769
 12. Stephen D. Johnson, 197482
 13. Scott L. King, 196625
 14. Ted J. Larson, 204145
 15. Brenda Marie Lawson, 187822
 16. James J. Lewis, 204135
 17. Ruby Lewis, 196706
 18. L. S. Nicholson, 194171
 19. Efim Reznik, 199005
 20. Lawrence E. Ross, 194227
 21. Mario S. Sanchez, 196171
 22. Theresa Scates, 194243
 23. John Seelig, 203088
 24. Amanda V. Smithe, 197568
 25. Yan Ying Tam, 198162
 26. Lusik Tatulyan, 196135
 27. Samule Thomas, 196178
 28. Daniel David Torres-Constantine, 194564
 29. Christopher K. Truong, 192171
 30. Yu Vu Vang, 192249
 31. Ethel L. Warner, 197356
 32. Joel M. Weiner, 204146
 33. Penny White, 197504
 34. Shatonya Wright, 194391
 35. Jinghan G. Wu, 196641

G. Sales and Use Taxes Matters

- Redeterminations
 1. First Financial Management Corporation, 86844
 2. America True, 207036
 3. Bay Area/Diablo Petroleum Company, 187083
 4. River Transportation LLC, 186767
- Relief of Penalty
 5. Orion Bus Industries, Inc., 218722
 6. Raytheon Company, 218847
- Denials of Claims for Refund
 7. Cash Reg Systems of Asheville, Inc., 219680

H. Sales and Use Taxes Matters – Credits, Cancellations and Refunds

- Credits and Cancellations
 1. Trans World Airlines, Inc., 218584
 2. Uunet Technologies, Inc., 218642

- Refunds
 3. North Sails Group, Inc., 192506
 4. Overland Storage, Inc., 219282
 5. Cash Reg Systems of Asheville, Inc., 129082
 6. Medical Data Electronics, Inc., 134381
 7. Edison Material Supply LLC, 208837
 8. NCS Healthcare of California, Inc., 162565
 9. California State Automobile Association, 217966
 10. Schools Federal Credit Union, 115269
 11. Wescom Credit Union, 203772

I. Special Taxes Matters

- Denial of Claim for Refund
 1. San Benito City Integrated Waste, 152125
- Redeterminations
 2. Dhia H. Mansour, 135700

J. Special Taxes Matters

- Credits and Cancellations
 1. San Benito City Integrated Waste, 219567
- Refunds
 2. McLane Sunwest, Inc., 219454
 3. Thrifty Payless, Inc., 219532

❖ TAX PROGRAM NONAPPEARANCE MATTERS — NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

K. Property Tax Matters

- Board Roll Changes
 1. 1999, 2000, 2001 and 2002 State-Assessed Property Rolls – “CF”

L. Local Tax Reallocation Matter

- Cases Heard But Not Decided
 1. City of Laguna Hills, 203006

❖ CHIEF COUNSEL MATTERS

M. Rulemaking

- **Consideration of New Petition for Amendment to Property Tax Rule**
 1. Petition for Amendment of Property Tax Rule 462.500, Change in Ownership of Real Property Acquired to Replace Property Taken by Governmental Action or Eminent Domain Proceedings
- **Request for adoption of revised language to proposed amendment to Property Tax Rule**
 2. Adopt proposed amendments to Property Tax Rule 462.180, Change in Ownership – Legal Entities are clarifying the treatment of limited liability company membership interests and legal entity ownership interests held by spouses as community property, heard on May 28, 2003.
- **Petition for Property Tax Rule 136**
 3. Revised staff recommendation on Property Tax Rule 136, Qualifying Organizations, clarifying that the welfare exemption in Revenue and Taxation Code section 214(a) applies to property owned and operated by community chests, funds, foundations, corporations, or limited liability companies not organized or operated for profit, heard on May 28, 2003.
- **Request for Authorization to Modify Amendments to Uniform Local Sales and Use Tax Regulation**
 4. Regulation 1802, Place of Sale and Use for Purposes of Bradley Burns Uniform Local Sales and Use Taxes, is proposed to be modified to clarify previously adopted amendments to subdivision (a)(1) entitled Retailers Having One Place of Business and to place in subdivision (a)(2) entitled Retailers Having More Than One Place of Business, the rules regarding place of sale where the retailer has more than one place of business in this state but only one of those places of business participates in the sale.

Sales and Use Tax/Property and Special Taxes Matter

➤ **Staff Suggestions Regarding Handling Cancellation of Determinations**

5. Authority for cancellation of determinations above \$50,000

❖ **CLOSED SESSION**

- Discussion and approval of staff recommendations regarding settlement cases (R&T Code § 6901, 7093.5, 30459.1 and 50156.11)
- Pending Litigation: Amicus Curiae Brief in Fourth District Court of Appeal, *County of Orange v. AAB No.3*, Case No. OCCC3385 (Govt. Code § 11126(e))
- Discussion and action on Personnel Matters (Govt. Code § 11126(a))

❖ **ADMINISTRATIVE SESSION**

➤ **CONSENT AGENDA**

❑ **Approval of Board Employee Retirement Resolutions**

- David L. Burdick
- Richard L. Martin
- David J. Martin
- Hazel Wambolt

❑ **Approval of Board Meeting Minutes**

- May 6, 2003

❑ **Approval of extensions of time to complete and submit 2003-04 Local Assessment Rolls pursuant to Revenue and Taxation Code section 155 granted to Butte, Calaveras, El Dorado, Inyo, Los Angeles, Madera, Modoc, Mono, Placer and Tulare Counties**

➤ **BOARD COMMITTEE REPORTS**

- ❑ Approval of the June 25, 2003 Board Committee Minutes
 - Legislative Committee
 - Business Taxes Committee
 - Property Tax Committee

If you would like specific information regarding items on this Board Meeting Agenda Notice please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Deborah Pellegrini, Chief
Board Proceedings Division

* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.

** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.

"CF" Constitutional Function - The Deputy State Controller may not participate in this matter under Government Code section 7.9.

If substantial revisions to the published text of the regulations are approved at the hearing, the regulations will be re-published for a new hearing date. If only revisions sufficiently related to the published text of the regulations are approved, a notice containing these revisions will be mailed to those persons who commented orally or in writing or who asked to be informed of such revisions. The notice will be mailed at least 15 days prior to the scheduled Board adoption of the regulations to allow time for additional comments.

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda. Any committee agenda item may be brought to the Board at its next

meeting. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail Gary.Evans@boe.ca.gov, to make special arrangements.